

*REMARKS/ARGUMENTS*

In response to the Office Action mailed December 10, 2007, Applicant requests reconsideration. No claims are cancelled and new claim 30 is added, so that claims 18-30 are now pending.

The invention has been previously described and is, to the extent necessary, described again below. The prior art rejection has changed so that claims 18-23 are now rejected as unpatentable over Raven et al. (U.S. Patent 5,429,361, hereinafter Raven), in view of Dickinson et al. (U.S. Patent 5,265,874, hereinafter Dickinson), and further in view of Nelson et al. (Published U.S. Patent Application 2004/0053682, hereinafter Nelson). Nelson was newly cited in the Office Action of December 10, 2007. Claims 24-29 were rejected on the same basis that claims 18-23 were rejected and further in view of what the Examiner characterized as Admitted Prior Art (APA) of the patent application. Again, Nelson was added to the prior rejection of these claims. Both rejections are respectfully traversed.

There are four pending independent claims, claims 18, 21, 24, and 27. Claim 18 is directed to a gaming apparatus comprising a portable memory device and a game machine that interacts with the portable memory device. Claim 21 is directed to a game machine. The description of the game machine in claim 21 is identical to the description of the game machine in claim 18. Claim 24 is directed to a gaming machine system including a portable memory device and a plurality of game machines. Each of the game machines is described as having particular features and those features are identical to the features of the game machine according to claims 18 and 21. However, the plurality of gaming machines, amongst themselves, in the system of claim 24, have differing minimum bets and game media denominations. Independent claim 27 is directed to a gaming machine system having a plurality of game machines. As in claim 24, the plurality of game machines have differing minimum bets and game media denominations. Otherwise, the game machines are

described in words identical to the description of the game machines in the other three independent claims. Accordingly, it is apparent that if the game machine commonly described in all four claims is not suggested by any potential combination of Raven, Dickinson, and Nelson, that all pending claims are patentable. This conclusion is based upon a concession, only for purposes of this Response, that the cited portion of the patent application supplies the information designated by the Examiner as APA.

The game machines according to the invention interact with and read from a portable memory device a balance, referred to as a value, in game media. That balance indicates a money value available for purchasing game plays on the respective game machines. As game play proceeds, this balance is decreased by purchasing game plays. In addition, the balance is subsequently changed, in the recording of a game result value, which may be a positive or negative change, depending upon the nature of the game supplied by the game machine and its payoff. In order to record the game result value, that value is converted into a value in game media so that it can be added to or subtracted from the previous balance to produce a new balance.

An important feature of the game machines according to the pending claims is the player-selectable option of the game medium converting device, at the gaming machine, of paying out of physical game media, *at the game machine*, being played. The payout in game media may be part of or the entire total of a game result. In other words the player of the game machine may selectively choose how credits for a positive game outcome are received, i.e., paid out.

With respect to the example of the slot machine described in the patent application, this election regarding the nature of the payout is made through button 24, referred to as the C/P button. See the disclosure of the patent application as filed, for example, from page 8, line 4 through page 9, line 13; page 15, lines 9-11; page 22, lines 11-24; page 23, line 15 through page 24, line 1; and original claims 4, 5, 11, and 12. In more specific terms, some or all of the winnings at a game machine is converted into a corresponding quantity of physical game media, i.e., coins, tokens, or chips. Then, by operation of the game media payout device, *at the game machine*,

those physical game media, resulting from this conversion, are paid out to the player of the game machine.

With the invention the player is not required to and has no necessity of “cashing out” his winnings at a teller or clerk or any other location. The player is given the optional opportunity of collecting in cash or cash equivalents, right at the game machine being played, some or all of the winnings. See, for example, page 8, lines 10-13 of the patent application explaining that a player does not need to obtain physical game media through a person, for example, a change booth, or a cashier, in order to finish a game without interruption, in the event his supply of coins, tokens, or other physical game media, is exhausted. In addition, when a large jackpot is obtained, the player can receive some of the payout in physical game media and accept the balance of the jackpot as a value stored by the portable memory device so that the burden of lugging a large quantity of coins or tokens is eliminated. See the patent application at page 9, lines 2-9.

Dependent claims 20, 23, 26, and 29 make clear that the amount of the winnings not paid out is recorded in the portable memory device. That portable memory device may be employed in playing other game machines later. The other dependent claims, claims 19, 22, 25, and 28, provide for increasing the balance stored in the portable memory device, when the portable memory device is in communication with a gaming machine, based upon physical game media that are inserted into the game machine. In other words, instead of any requirement for consulting a teller or a specialized apparatus located within a casino or elsewhere to “charge” the card, i.e., increase the balance, a player can increase the balance simply by inserting physical game media into a game machine connected to the portable memory device.

In rejecting claims 18-23, the Examiner acknowledged at page 3 of the Office Action that Raven “fails to teach a game medium converting device *selectively operable by a player of the game machine* for converting at least a part of the game result value into a quantity of physical game media, and a game medium payout

device for paying out, *at the game machine*, in physical game media the part of the game result value converted by the game medium converting device.” (Emphasis added.)

At that page of the Office Action, Nelson was relied upon as describing a game machine having a game medium payout device that pays out, at the game machine, “the part of the game result value converted by the game medium converting device”... . This assertion is allegedly supported by paragraph [0066] of Nelson.

Applicant readily agrees that Nelson describes a game machine having an unnumbered hopper in Figure 1 at which game media are apparently paid out at the time of winning of a prize from playing the game machine. Paragraph [0066] of Nelson refers to the flow chart of Figure 6 of Nelson and the Examiner called attention to lines 17-22 of that paragraph describing step 620 of the flow chart. According to Nelson, in those lines, “the gaming machine may dispense a monetary payout based upon the payout indicated by payout data, such as illustrated in the table shown in FIG. 4. Alternatively, credits or other forms of reward may be provided.” Figure 6 of Nelson describes step 620 as “Gaming Machine Dispenses Monetary Payout.”

Nelson fails to describe any partial payout of a game result value in physical game media, contrary to the assertion at page 3 of the Office Action. What is unambiguously described by Nelson is the paying out of either a monetary amount, a credit, or another form of reward upon the winning of a game. There is no description of suggestion that the player of the game has any option with respect to the form of the payout or has the ability to divide the payout into at least two different kinds of “reward.” Thus, Nelson fails to stand for the proposition for which it was cited and cannot supply a game medium payout device, as defined in each of the independent claims, that pays out “the part of the game result value converted by the game medium converting device”. Thus, to complete evaluation of the rejection, attention must be turned to the disclosures of Raven and Dickinson.

Applicant basically agrees with the description of Raven appearing in the present and previous Office Actions. Raven does not describe how a payout is made at the end of a game. The objective of Raven is to provide "cashless" gaming so that the carrying of large sums of cash or obtaining change in the course of playing games is not required. See Raven at column 1, lines 38-48. Therefore, as acknowledged in the current and previous Office Actions, Raven provides no element that could correspond to the game medium converting device as defined in the pending independent claims that provides for player-selective conversion of at least a part of the game result value into a quantify of physical game media. It follows that Raven could not describe the game medium payout device according to the claims because that game medium payout device functions in concert the selective conversion of part of the game result value by the game medium converting device.

Dickinson, like Raven, is concerned with cashless gaming. Applicant agrees with the Examiner that the pertinent part of Dickinson appears in column 2, lines 31-42. The relevant portion of that passage is reproduced below.

"Finally, when the player wishes to stop play of the game terminal completely, the player again pushes the cashout switch. The game terminal then uploads the cash amount balance to the validation terminal. The player then takes his ID card to the validation terminal and the clerk at the validation terminal reads the card to obtain the ID information and the cash amount balance therefrom. A ticket showing the ID card number and the cash amount is printed on the validation terminal printer and the player is paid the cash amount on the spot."

In the Dickinson system the player takes the ID card to a validation terminal where a clerk, not the player, operates the validation terminal so the card is read and the cash balance amount can be verified. Clearly, the validation terminal is not the game machine, is not at the game machine, and is not selectively operable by the player to divide a payout between physical game media and a stored value. The

Dickinson concept is totally contrary to the basis of the invention as expressly described in the application as filed at page 8, lines 10-13.

Nevertheless, the current and former Office Actions have all asserted that it would have been obvious from Dickinson to include all of what constitutes Dickinson's validation terminal, which is separate from the Dickinson game machine, and the clerk operating the validation terminal, into the Raven game machine. Applicant disagrees. Not only would the modification not have been obvious, the modification, if made, would still not include all of the elements of the claimed invention, even adding Nelson.

It would not have been obvious to have modified Raven with Dickinson because Dickinson clearly and expressly requires the presence of a clerk and a validation terminal separate from the game machine in order to ensure against cheating or fraud. Moreover, Dickinson, like Raven, is directed to cashless gaming that provides a

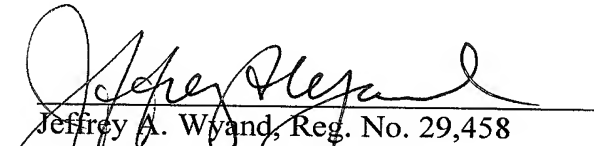
“method for playing a game without a need for cash in [the] form of coins, chips, or other credit items, wherein the apparatus and method require only an ID card and a payment of cash to *a validation clerk at a central location* to allow the holders of the card to play any one of a number of game terminals...”. (Dickinson at column 2, lines 44-51, emphasis supplied.)

Moreover, Nelson does not cure this deficiency. Although Nelson provides some kind of payout of tokens, cash, or credits at the game machine, none of Raven, Dickinson, or Nelson provides for selection by the game player, at the game machine, what part of the payout will be supplied at the machine in physical game media and what part will be supplied as credits recorded in a portable memory device. In other words, all of the game machines described by Raven, Dickinson, and Nelson commonly lack an important and express feature of all of the claimed game machines. Therefore, no combination of those three publications, even as modified by the APA can establish *prima facie* obviousness of any pending claim.

New claim 30 is patentable as depending from a patentable claim.

Reconsideration and allowance of claims 18-30 are respectfully requested.

Respectfully submitted,



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